Frontera Announces First Quarter 2026 Results

06:36 Uhr | CNW

Shareholders Approve Arrangement with Parex to divest Frontera's E&P Assets for $750 Million in Enterprise Value an
million Return of Capital to Shareholders

Recorded Net Income for the Period from Continuing Operations of $13.1 Million

Recorded Adjusted EBITDA for Q1 2026 of $28.5 Million

Frontera Positioned as a Standalone Infrastructure Company

Expected Post Closing Cash Balance of Approximately $50 Million

ODL Declared $185 Million in Dividends ($64.7 million, Net to Frontera)

Q1 2026 Average Production from Discontinued Operation of 36,700 boepd

Frontera Energy Corp. (TSX: FEC) (OTCQX: FECCF) ("Frontera" or the "Company") today reported financial and opera
results for the first quarter ended March 31, 2026. All financial amounts in this news release and in the Company's finar
disclosures are in United States dollars, unless otherwise stated.

Gabriel de Alba, Chairman of the Board of Directors, commented:

"During the first quarter, Frontera delivered solid infrastructure results while taking decisive steps to advance the Comp
strategic repositioning. Frontera remains firmly committed to disciplined execution, prudent oversight of capital, emphas
operational excellence, and maintaining a strong balance sheet.

Frontera achieved an important milestone with shareholder approval of the plan of arrangement and return of capital, re
sale of its Colombian E&P asset to Parex Resources. Subject to closing, the Company expects to return up to $470 mil
shareholders, representing a substantial return of capital.

The Company is retaining approximately $50 million of cash to support the growth opportunities of its high-quality infras
business, including the LNG regasification project with Ecopetrol. The standalone and refocused Frontera infrastructure
anchored by its ownership in ODL and Puerto Bahia, generates stable long-term cash flows and provides multiple near
catalysts that support long-term shareholder value creation.

In total, this strategy will have unlocked approximately $1.3 billion of capital for investors."

Orlando Cabrales, Chief Executive Officer (CEO), Frontera, commented:

"In the first quarter of 2026, Frontera delivered solid infrastructure performance, supported by contributions from Puerto
our equity interest in ODL, which generated an Adjusted EBITDA for the quarter of $28.5 million. Additionally, Frontera
receive, proportional to the Company's 35% equity interest in ODL, approximately $65 million in dividends in 2026.

At Puerto Bahía, we continue to advance our key growth initiatives, supporting the long-term development of Frontera's
infrastructure platform. During the first quarter, our container business delivered solid operational performance, handlin
TEUs. We also achieved meaningful progress across our energy infrastructure projects, including reaching a key miles
LPG project with the successful commencement of initial operations in March 2026, which gives us the capacity to han
10,000 tons per month. We continue making solid progress with the firm goal of becoming fully operational during the fi
of 2028.

In parallel, we continue to advance the LNG regasification project in partnership with Ecopetrol and support the long-ter
of Colombia's energy supply. Looking ahead, we expect these initiatives to contribute to the continued growth and diver
enhancing cash flow resilience over time.

In our E&P business, we remain focused on maintaining safe and stable operations while advancing toward the expected closing of the Parex transaction, which is anticipated to be completed in May 2026."

First Quarter 2026 Operational and Financial Summary*:

		Q1 2026	Q4 2025	Q1 2025
Financial Results				
Total Revenues and Other Income	($M)	26,833	26,862	25,137
Operating costs	($M)	7,102	7,579	5,164
General and administrative	($M)	3,039	4,497	3,406
Operating income (loss) from continuing operations	($M)	13,488	(20,510)	14,438
Cash (used) provided by operating activities from continuing operations	($M)	(4,961)	11,319	23,876
ODL dividends, net of taxes	($M)	-	12,254	26,172
Total debt and lease liabilities	($M)	169,188	168,738	106,283
Net income (loss) for the period from continuing operations (1)	($M)	13,055	(32,372)	11,770
Net (loss) income for the period from discontinued operations (1)	($M)	(28,459)	(628,076)	15,754
Net (loss) income for the period (1)	($M)	(15,404)	(660,448)	27,524
Per share - diluted from continuing operations	($)	0.18	(0.46)	0.14
Per share - diluted from discontinued operations	($)	(0.39)	(9.01)	0.19
Non-IFRS Results**				
Adjusted EBITDA (2)	($M)	28,477	27,700	27,634
Adjusted EBITDA Margin (3)	%	63 %	58 %	66 %
LTM Infrastructure Distributable cash flow (2)(4)	($M)	51,118	76,690	102,970
Net Debt (2)	($M)	149,626	123,665	54,041
Net Debt to Adjusted EBITDA LTM	x	1.33x	1.11x	0.48x
Operational Results				
Puerto Bahia Port Facility				
Volume throughput at liquids terminal	(bbl/d)	36,937	40,548	51,579
RORO Volumes handled at general cargo terminal	(Units)	38,067	38,727	18,223
Break Bulk Volumes				

(Tons/m3)

25,216

15,406

41,198

Containers	(TEUs)	3,851	6,436	1,256
Investments in ODL Pipeline				
Volumes transported at oil pipeline facility	(bbl/d)	233,875	241,734	236,387
Average transportation tariff per barrel	($/bbl)	4.70	4.76	4.73
Discontinued Operations - Colombia				
Total production Colombia [5]	(boe/d) [3]	36,700	38,332	39,010
Brent price reference	($/bbl)	78.38	63.08	74.98
Oil and gas sales, net of purchases [3]	($/boe)	75.07	57.25	64.53
Net sales realized price [3]	($/boe)	72.66	56.14	62.19
Operating netback per boe [3]	($/boe)	41.79	28.36	34.22

* Figures from previous reporting periods were changed due to the re-presentation of continuing operations following the divestment of non-core assets in Ecuador. Refer to the "Discontinued Operations" section on page 8 of the Company's Management Discussion & Analysis for the three months ended March 31, 2026 MD&A for further details.

** As a result of the Arrangement (as defined below), these adjusted figures have been re-presented to exclude certain assets sold, namely Agrocascada and Proagrollanos, formerly included as part of Frontera Infrastructure.

(1) References to heavy crude oil, light and medium crude oil combined, conventional natural gas, and natural gas liquids in the above table and elsewhere in this news release refer to heavy crude oil, light crude oil and medium crude oil combined, conventional natural gas, and natural gas liquids, respectively, product types as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

(2) Represents W.I. production before royalties. Refer to the "Further Disclosures" section on page 29 of the MD&A for further details.

(3) Boe has been expressed using the 5.7 to 1 Mcf/bbl conversion standard required by the Colombian Ministry of Mines & Energy. Refer to the "Further Disclosures - Boe Conversion" section on page 29 of the MD&A for further details.

(4) Non-IFRS ratio is equivalent to a "non-GAAP ratio", as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Refer to the "Non-IFRS and Other Financial Measures'" section on page 16 of the MD&A for further details.

(5) 2024 comparative figures differ from those previously reported due to the inclusion of Puerto Bahia inter-segment costs related to diluent and oil purchases as well as transportation costs.

(6) Supplementary financial measure (as defined in NI 52-112). Refer to the "Non-IFRS and Other Financial Measures" section on page 16 of the MD&A for further details.

(7) Includes the net effect of put premiums paid for expired positions and positive cash settlements received from oil price contracts during the period. Refer to the "Gain (Loss) on Risk Management Contracts" section on page of the MD&A for further details.

(8) Non-IFRS financial measure (equivalent to a "non-GAAP financial measure", as defined in NI 52-112). Refer to the "Non-IFRS and Other Financial Measures" section on page 16 of the MD&A for further details.

(9) Capital management measure (as defined in NI 52-112). Refer to the "Non-IFRS and Other Financial Measures" section on page 16 of the MD&A for further details.

(10) "Unrestricted Subsidiaries" include CGX Energy Inc. ("CGX"), listed on the TSX Venture Exchange under the trading symbol "OYL"; FEC ODL Holdings Corp., including its subsidiary, Frontera Pipeline Investment AG ("FPI", formerly named Pipeline Investment Ltd); Frontera BIC Holding Ltd.; Frontera Energy Guyana Holding Ltd.; Frontera Energy Guyana Corp.; and Frontera Bahía Holding Ltd., including Sociedad Portuaria Puerto Bahia S.A ("Puerto Bahia"). Refer to the "Liquidity and Capital Resources" section on page 22 of the MD&A for further details.

First Quarter 2026 Operational and Financial Results:

- During the first quarter of 2026, the Company reported net income from continuing operations, attributable to equ the Company, of $13.1 million mainly resulting from an income from operations of $13.5 million and foreign excha of $6.8 million partially offset by finance expenses of $5.7 million and other loss of $2.5 million. This compares wi from continuing operations, attributable to equity holders of the Company, in the first quarter of 2025, of $11.8 mil included mainly an income from operations of $14.4 million and foreign exchange income of $2.5 million partially finance expenses of $3.2 million and other loss of $2.4 million.

- Total revenues and other income for the first quarter were $26.8 million, compared with $26.9 million in the prior c $25.1 million in the first quarter of 2025. Revenues during the quarter were mainly driven by a strong performance Bahia, where the general cargo experienced a significant growth in handled volumes in roll-on/roll-off ("RORO") u container, while operations at the Oleoducto de los Llanos ("ODL") remained strong.

- Port revenues were $12.7 million in the first quarter of 2026, compared with $12.8 million in the prior quarter and in the first quarter of 2025.

    - General cargo handled at the Port Facility during the first quarter of 2026 comprised 38,067 units of RORO, volumes of 25,216 tons/m³ and container of 3,851 TEUs, compared with 38,727 units, 15,406 tons/m³ and 6 the prior quarter, respectively, and 18,223 units, 41,198 tons/m³ and 1,256 TEUs in the first quarter of 2025

    - Liquid volumes handled in the Port Facility during the first quarter of 2026 were 36,937 bbl/d, compared with in the prior quarter and 51,579 bbl/d in the first quarter of 2025. In the first quarter the decline was mainly du third-party liquid volumes, reflecting reduced throughput from key customers and the absence of certain trad

- Share of income from ODL Pipeline Investment was $14.2 million in the first quarter of 2026, compared with $14. the prior quarter and $15.1 million in the first quarter of 2025, the result for the quarter was driven by higher depre amortization expense and operating costs.

- ODL volumes transported were 233,875 bbl/d in the first quarter of 2026, compared with 241,734 bbl/d in the prio 236,387 bbl/d in the first quarter of 2025.

- Adjusted EBITDA in the first quarter of 2026 was $28.5 million, compared with $27.7 million in the prior quarter an million in the first quarter of 2025. Adjusted EBITDA was driven by higher revenues during the quarter partially off operating costs.

- ODL declared net dividends to Frontera of $64.7 million for 2026 compared to $52.9 million in 2025, of which Fro to receive distributions during 2026 comprising approximately 40% in the second quarter, 35% in the third quarter remaining 25% in the fourth quarter.

- Last twelve-months ("LTM") Infrastructure distributable cash flow ended March 31, 2026 was $51.1 million, compa $76.7 million for the twelve month period ended December 31, 2025 and $103.0 million for the twelve month perio March 31, 2025. These differences are driven by the timing of ODL distribution payments between periods, which calculations, rather than by changes in underlying operating performance. Capital distributions paid or declared o remained relatively stable, totaling $60.4 million in 2024, $61.5 million in 2025 and $64.7 r 2026. For comparison purposes, an estimated LTM distributable cash flow for the period ending on April 30, 2026 million.

- Capital expenditures were $1.0 million in the first quarter of 2026, compared with $2.0 million in the prior quarter a million in the first quarter of 2025. During the first quarter of 2026, investments made in Puerto Bahia, including: (i in major tank maintenance, (ii) $0.3 million in investment towards the LPG project, and (iii) general expenditures r cargo terminal facilities.

- Long‑term debt at the end of the first quarter totaled $167.8 million and is expected to decline to approxim million, primarily as a result of scheduled amortizations and cash sweep mechanisms during 2026. From May 202 December 2026, long‑term debt is expected to be reduced by over $100 million, reflecting the strength of generation.

Puerto Bahia

Puerto Bahia is a multi‑purpose maritime terminal (the "Port Facility") located in Cartagena, Colombia, which consists of a hydrocarbons terminal and a general cargo terminal adjacent to the Bocachica access channel in the Cartagena Bay. It is strategically located near the Cartagena refinery operated by Reficar. The Port Facility has a total area of 150 hectares. Puerto Bahia's income from operations is mainly generated from service contracts in the liquids terminal, which has a nominal capacity of 2,672,000 barrels, and from RORO, break bulk and containers services in the general cargo terminal. Frontera owns a 99.97%

equity interest in Puerto Bahía.

Revenues from the Port Facility for the first quarter 2026 were $12.7 million driven by strong performance in the dry port, which experienced significant growth in handled volumes in RORO units and containers, partially offset by lower volumes from others, reflecting reduced throughput from certain key custumers.

	Three months ended March 31	
($M)	2026	2025
Colombia		
Liquids terminal	5,247	6,334
General cargo terminal	7,407	3,533
Colombia port revenues	12,654	9,867
Guyana		
Other port revenues	-	161
Total revenue	12,654	10,028

Puerto Bahía has established itself as a key strategic partner to the automotive sector in Colombia. RORO cargo volumes handled at the port increased by approximately 109% on a year over year basis. The following table shows the RORO units, their dwell times, the containers and break bulk volumes, for the general cargo terminal at Puerto Bahia:

		Three months ended March 31	
		2026	2025
RORO	Units (1)	38,067	18,223
	Dwell time in days (2)	31	40
Containers	TEUs	3,851	1,256
Break Bulk Volumes	Tons/m^3 (3)	25,216	41,198

(1) Wheeled cargo, primarily cars imported to Colombia.

(2) Dwell time refers to the time spent by the units within the general cargo port facility. The variance in dwell time associated with Break Bulk Volumes could depend

on the characteristics of the cargo, especially in situations where the cargo is received and dispatched within a single day.

(3) Other types of cargo other than wheeled cargo and containers.
The following table shows throughput for the liquids terminal at Puerto Bahia:

	Three months ended March 31	
(bbl/d)	2026	2025
Ecopetrol volumes	26,273	30,572
FEC volumes	7,389	8,388
Other volumes	3,275	12,619
Total	36,937	51,579

For the first quarter 2026, port operating cost was $7.6 million, compared with $5.0 for the same period of 2025. The increase was mainly due to increased port infrastructure maintenance activities in the liquids port and higher operated volumes in the general cargo facilities due to the increased number of handled volumes in RORO units and container units.

	Three months ended March 31	
($M)	2026	2025
Operating costs:		
Liquids terminal	3,169	2,587
General cargo terminal	3,933	2,416
Total Operating Cost	7,102	5,003

ODL Pipeline Investment (35% equity interest)

Frontera owns a 35% equity investment in the ODL pipeline, which connects Rubiales, Quifa, Caño Sur, Llanos-34, and other blocks to the Monterrey and Cusiana Stations in the department of Casanare.

During the first quarter 2026, ODL recognized $40.5 million of net income ($14.2 million net to Frontera), the result was driven by higher depreciation and amortization expenses and operating costs.

In the three months ended March 31, 2026, ODL declared net dividends to FPI of $64.7 million, compared to $52.9 million in 2025.

The income statement and key balance sheet information for 100% of ODL is as follows:

	Three months ended March 31	
($M)	2026	2025
Revenue	92,527	91,566
Pipeline transportation services	82,980	82,567
Other revenues	9,547	8,999
Operating costs	(13,325)	(11,959)
General administrative expenses	(5,019)	(4,818)
Depreciation and amortization	(8,985)	(6,462)
Other non-operating expense	(2,423)	(1,910)
Income tax	(22,263)	(23,249)
ODL Net Income	40,512	43,168
Ownership Interest	-	-
ODL EBITDA	74,183	74,789
Ownership Interest	35 %	35 %
Share of income from ODL Pipeline Investment	14,179	15,109

The following table shows the volumes pumped per injection point:

	Three months ended March 31	
(bbl/d)	2026	2025
At Rubiales Station	130,480	172,988
At Caño Sur Station (1)	48,976	1,020
At Jagüey and Palmeras Stations	54,419	62,379
Total	233,875	236,387

(1) In the first quarter 2025 Caño Sur volumes were pumped through Rubiales station.

Divestment of Colombian E&P Asset Portfolio:

On April 30, Frontera announced that the Company's shareholders voted to approve its previously announced plan of arrangement (the "Arrangement") pursuant to which Parex Resources Inc. ("Parex"), through its wholly-owned subsidiary, Parex AcquisitionCo Inc. (the "Purchaser"), will acquire all of Frontera's Colombian upstream business consisting of Frontera's oil and gas exploration and production assets in Colombia, its reverse osmosis water treatment facility and its palm oil plantation (collectively, the "E&P Assets"), at the Company's special meeting of shareholders (the "Meeting"). At the Meeting, Frontera shareholders also approved the reduction of the capital account of the common shares of Frontera by an aggregate amount of up to C$647 million (equivalent to approximately $470 million), for the purposes of effecting a potential distribution to shareholders by way of a return of capital (the "Return of Capital") related to the net cash proceeds from the Arrangement.

Pursuant to the Arrangement, Parex will acquire the E&P Assets for a purchase price of: (i) $500 million payable upon closing, subject to any adjustment in accordance with the arrangement agreement entered into between Frontera, Parex and the Purchaser in respect of the Arrangement (the "Arrangement Agreement"); plus (ii) an additional $25 million contingent payment payable upon the achievement of specified development milestones within a period of up to 12 months following the closing of the Arrangement.

Upon completion of the Arrangement, Frontera will transition to a focused infrastructure company, with a portfolio anchored by its equity interests in the ODL crude oil pipeline and the Puerto Bahía port. The Infrastructure Business generated approximately $77 million of distributable cash flow in 2025 and will have identified growth initiatives at Puerto Bahía, including LPG import facilities, LNG regasification project and containerized cargo expansion, as disclosed in the Company's management information circular dated March 30, 2026, prepared in respect of the Arragement.

On May 4, 2026, the Supreme Court of British Columbia issued the final order approving the Arrangement. Completion of the Arrangement remains subject to the satisfaction or waiver of the remaining conditions precedent set out in the Arrangement Agreement and is expected to occur in May 2026.

Discontinued Operations

The Company has classified its E&P Assets as discontinued operations following the execution of Arrangement Agreement. The results of the discontinued operations are presented separately in the consolidated statements of income and cash flows for all periods presented, in accordance with IFRS 5. Please see Note 6 of the Company's consolidated financial statements for the three months ended March 31, 2026.

- Total Colombia production averaged 36,700 boe/d in the first quarter of 2026 (consisting of 25,394 bbl/d of heavy 8,653 bbl/d of light and medium crude oil combined, 5,706 mcf/d of conventional natural gas and 1,652 boe/d of n liquids), compared with 38,332 boe/d in the prior quarter (consisting of 26,696 bbl/d of heavy crude oil, 8,918 bbl/ medium crude oil combined, 5,261 mcf/d of conventional natural gas and 1,795 boe/d of natural gas liquids).
- Operating netback was $41.79/boe in the first quarter of 2026, compared with $28.36/boe in the prior quarter.

About Frontera:

Frontera Energy Corporation is a Canadian public company dedicated to energy‑focused investments in South America, including a significant footprint in midstream assets in Colombia, such as Puerto Bahia and the ODL pipeline as well as exploration and development assets with interests in 18 blocks in Colombia and Guyana. Frontera has entered into a transaction pursuant to which its interest in the 17 blocks in Colombia together with its Proagrollanos and Agrocascada assets, are being sold, with closing expected in the second quarter of 2026. Frontera is committed to conducting business safely and in a socially, environmentally and ethically responsible manner.

If you would like to receive News Releases via e-mail as soon as they are published, please subscribe here: http://fronteraenergy.mediaroom.com/subscribe.

Social Media

Follow Frontera Energy social media channels at the following links:

Twitter: https://twitter.com/fronteraenergy?lang=en
Facebook: https://es-la.facebook.com/FronteraEnergy/
LinkedIn: https://co.linkedin.com/company/frontera-energy-corp.

Advisories:

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including, without limitation, statements regarding the Company following completion of the Arrangement, the Return of Capital, the expected operation date of the LPG Project and LNG regasification project, their impact on Colombia's domestic LPG market and energy supply and the business of the Company, the expected reduction of long-term debt and the amount thereof, the Arrangement and the expected closing date of the Arrangement, and the Company's business following completion of the Arrangement, are forward-looking statements.

These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: there can be no assurance that the Arrangement will be completed on the terms or within the timeframes currently contemplated or at all; the failure to obtain all necessary third-party and regulatory approvals to complete the Arrangement; and the risk that the Arrangement may be varied, accelerated or terminated in certain circumstances; volatility in market prices for oil and natural gas; the U.S. trade tariffs and sanctions imposed on numerous countries; the impact of international conflicts including the Russia-Ukraine conflict and the conflict in the Middle East and other escalating geopolitical tensions; actions of the Organization of Petroleum Exporting Countries; uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; increases or changes to transportation costs; the ability of the Company to maintain its credit ratings; the ability of the Company to meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the agreements that govern indebtedness; the intentions of the Company with regard to its capital allocation decisions; political developments in the countries where the Company operates; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 17, 2026 filed on SEDAR+ at www.sedarplus.ca.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This news release contains future oriented financial information and financial outlook information (collectively, "FOFI") (including, without limitation, statements regarding expected average production), and are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The FOFI has been prepared by management to provide an outlook of the Company's activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgments, however, actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein. Any FOFI speaks only as of the date on which it is made, and the Company disclaims any intent or obligation to update any FOFI, whether as a result of new information, future events or results or otherwise, unless required by applicable laws.

Non-IFRS Financial Measures

This news release contains various "non-IFRS financial measures" (equivalent to "non-GAAP financial measures", as such term is defined in NI 52-112), "non-IFRS ratios" (equivalent to "non-GAAP ratios", as such term is defined in NI 52-112), "supplementary financial measures" (as such term is defined in NI 52-112) and "capital management measures" (as such term is defined in NI 52-112), which are described in further detail below. Such measures do not have standardized IFRS definitions. The Company's determination of these non-IFRS financial measures may differ from other reporting issuers and they are therefore unlikely to be comparable to similar measures presented by other companies. Furthermore, these financial measures should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. These financial measures do not replace or supersede any standardized measure under IFRS. Other companies in the Company's industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

The Company discloses these financial measures, together with measures prepared in accordance with IFRS, because management believes they provide useful information to investors and shareholders, as management uses them to evaluate the operating performance of the Company. These financial measures highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. Further, management also uses non-IFRS measures to exclude the impact of certain expenses and income that management does not believe reflect the Company's underlying operating performance. The Company's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets and as a measure of the Company's ability to finance its ongoing operations and obligations.

Set forth below is a description of the non-IFRS financial measures, non-IFRS ratios, supplementary financial measures and capital management measures used in this news release.

ODL (100%) Income Statement Summary

	Three months ended March 31	
($M)	2026	2025
Revenue	92,527	91,566
Pipeline transportation services	82,980	82,567
Other revenues	9,547	8,999
Operating costs	(13,325)	(11,959)
General administrative expenses	(5,019)	(4,818)
Depreciation and amortization	(8,985)	(6,462)
Other non-operating expense	(2,423)	(1,910)
Income tax	(22,263)	(23,249)
ODL Net Income	40,512	43,168
ODL EBITDA	74,183	74,789

Puerto Bahia

	Three months ended March 31	
($M)	2026	2025
Revenue	12,654	9,867
Costs	(7,102)	(5,002)
General and administrative expenses	(1,433)	(1,346)
Depreciation, amortization and impairment expense	(2,096)	(1,715)
Restructuring, severance and other costs	(1,314)	(214)
Puerto Bahia Operating (loss) Income	709	1,590
Puerto Bahia EBITDA	4,119	3,519

Adjusted Revenue, Adjusted Operating Cost and Adjusted General and Administrative Calculations

Each of Adjusted Revenue, Adjusted Operating Costs and Adjusted General and Administrative, represents a non-IFRS financial measure that management uses to evaluate the performance of continuing operations. Adjusted Revenue consists of port revenues and ODL's revenues attributable to the Company's direct participation interest. Adjusted Operating Cost consists of port operating cost and ODL's operating cost attributable to the Company's direct participation interest. Adjusted general and administrative consists of General and administrative expenses and ODL's general and administrative expense attributable to the Company's direct participation interest.

A reconciliation of each of Adjusted Revenue, Adjusted Operating Costs and Adjusted General and Administrative is provided below:

	Three months ended	
	March 31	
($M) [1]	2026	2025
Port revenue	12,654	10,028
Revenue from ODL	92,527	91,566
Direct participation interest in the ODL	35 %	35 %
Equity adjustment participation of ODL [1]	32,384	32,048
Adjusted Revenues	45,038	42,076
Port operating cost	(7,102)	(5,164)
Operating Cost from ODL	(13,325)	(11,959)
Direct participation interest in the ODL	35 %	35 %
Equity adjustment participation of ODL [1]	(4,664)	(4,186)
Adjusted Operating Costs	(11,766)	(9,350)
General and administrative (Port, Corporate and Other)	(3,039)	(3,406)
General and administrative from ODL	(5,019)	(4,818)
Direct participation interest in the ODL	35 %	35 %
Equity adjustment participation of ODL [1]	(1,757)	(1,686)
Adjusted General and Administrative	(4,796)	(5,092)

Adjusted Debt Calculations

Adjusted Debt is a non-IFRS financial measure or contains a non-IFRS financial measure that management uses to evaluate and monitor its debt. Adjusted Debt includes short-term and long-term FPI Recapitalization Loan, lease liabilities, and ODL's debt attributable to the Company's direct participation interest.

A reconciliation of Adjusted Debt is provided below:

	March 31	December 31
($M) [1]	2026	2025
Short-Term and Long-Term Debt	167,742	167,183
Debt from ODL	40,093	37,989
Direct participating interest in the ODL	35 %	35 %
Equity adjustment participation of ODL [1]	14,033	13,296
Adjusted Debt	181,775	180,967

Adjusted EBITDA

The Adjusted EBITDA is a non-IFRS financial measure used to assist in measuring the continuing operation results of the business, including ODL's EBITDA attributable to the Company's direct participation interest.

A reconciliation of Adjusted EBITDA is provided below:

	Three months ended	
	March 31	
($M)	2026	2025
Adjusted Revenue	45,038	42,076
Adjusted Operating Costs	(11,766)	(9,350)
Adjusted General and Administrative	(4,796)	(5,092)
Adjusted EBITDA	28,477	27,634

The table below provides a reconciliation of operating income from continuing operations to Adjusted EBITDA:

	Three months ended	
	March 31	
($M)	2026	2025
Operating income from continuing operations	13,488	14,438
Share-based compensation	-	-
Depletion, depreciation and amortization	2,121	1,750
Restructuring, severance and other costs	1,083	379
Share of Income from ODL Pipeline Investment (equity method)	(14,179)	(15,109)
Distributions/adjustments related to equity method investments [1]	25,964	26,176
Adjusted EBITDA	28,477	27,634

[1] Corresponds to the Company's 35% equity participation in ODL's revenue, operating costs, and general

and administrative expenses.

LTM Infrastructure Distributable Cash Flow

Distributable cash flow is a non‑IFRS financial measure that reflects the cash available to the Company from its infrastructure investments to service its debt, Capex investments and provide returns to shareholders, after fulfilling ongoing operational requirements. This measure incorporates the Company's port revenue, port operating cost and port general and administrative, and ODL capital distributions, net of taxes, for the last twelve‑month period ended at the reporting date.

	Three months ended	
	March 31	
($M)	2026	2025
LTM Puerto Bahia EBITDA	15,735	16,464
LTM ODL dividends, net of taxes	30,766	78,927
LTM ODL return of capital, net of taxes	4,617	7,579
LTM Infrastructure Distributable Cash Flow	51,118	102,970

Capital Expenditures

Capital expenditures is a non-IFRS financial measure that reflects the cash and non-cash items used by the Company to invest in capital assets. This financial measure considers oil and gas properties, plant and equipment, infrastructure, exploration and evaluation assets expenditures which are items reconciled to the Company's Statements of Cash Flows for the period.

	Three months ended March	
	2026	2025
Additions to properties, plant and equipment from Consolidated Statements of Cash Flows	986	3,444
Non-cash adjustments (1)	(5)	(1,387)
Total Capital Expenditures from Continuing Operations	981	2,057

(1) Related to materials inventory movements, capitalized non-cash items and other adjustments

Net Debt

Net debt is a non‑IFRS financial measure that reflects the Company's total indebtedness after deducting available cash and cash equivalents and is used by management to assess financial leverage and debt‑repayment capacity.

	March 31	December 31
($M)	2026	2025
Short-term and Long-term debt	167,742	167,183
Leasing [(1)]	1,446	1,555
Total debt and lease liabilities [(2)]	169,188	168,738
(-) Cash and cash equivalents [(1)]	19,562	45,073
Net Debt	149,626	123,665

[(1)] For the 2025 comparative periods, the information includes only balances related to continuing operations, as the balances in the Interim Condensed Consolidated Statements of Financial Position as of December 31, 2025 were not re-presented to separately reflect discontinued operations. Cash and cash equivalents totaled $230.5 million, including $185.4 million attributable to discontinued operations. Leasing balances totaled $19.9 million, including $18.3 million attributable to discontinued operations.

[(2)] Supplementary financial measure.

Net Sales - Discontinued Operations

Net sales from Colombia discontinued operations is a non-IFRS financial measure that adjusts revenue to include realized gains and losses from oil risk management contracts while removing the cost of any volumes purchased from third parties. This is a useful indicator for management, as the Company hedges a portion of its oil production using derivative instruments to manage exposure to oil price volatility. This metric allows the Company to report its realized net sales after factoring in these oil risk management activities. The deduction of cost of diluent and oil purchased is helpful to understand the Company's sales from Colombia discontinued operations performance based on the net realized proceeds from its own production, the cost of which is partially recovered when the blended product is sold. Refer to the reconciliation in the "Sales from Discontinued Operations - Colombia" section on page 12 of the MD&A.

Operating Netback - Discontinued Operations

Operating netback from Colombia discontinued operations is a non-IFRS financial measure and operating netback from Colombia discontinued operations per boe is a non-IFRS ratio. Operating netback from discontinued operations per boe is used to assess the net margin of the Company's production Colombia after subtracting all costs associated with bringing one barrel of oil to the market. It is also commonly used by the oil and gas industry to analyze financial and operating performance expressed as profit per barrel and is an indicator of how efficient the Company is at extracting and selling its product. For netback purposes, the Company adds the effects attributable to transportation and operating costs of any realized gain or loss on foreign exchange risk management contracts. Refer to the reconciliation in the "Operating Netback from discontinued operations" section on page 11 of the MD&A.

Oil and Gas Sales, Net of Purchases - Discontinued Operations

Oil and gas sales from Colombia discontinued operations, net of purchases, is a non IFRS financial measure that is calculated using oil and gas sales less the purchased crude net margin. Produced crude oil and gas sales from Colombia discontinued operations per boe and Oil and gas sales from discontinued operations, net of purchases per boe, are a non IFRS ratio that are calculated using Colombia Produced crude oil and gas sales per boe, and the oil and gas sales, net of purchases, divided by the total Colombia sales volumes, net of purchases.

A reconciliation of this calculation is provided below:

	Three months ended March 31	
	2026	2025
Produced crude oil and products sales ($M)	202,558	202,566
Purchased crude net margin ($M) (1)	(4,451)	(11,652)
Oil and gas sales, net of purchases ($M)	198,107	190,914
Sales volumes, net of purchases - (boe)	2,638,890	2,958,570
Produced crude oil and gas sales ($/boe)	76.76	68.47
Oil and gas sales, net of purchases ($/boe)	75.07	64.53

(1) Purchased crude net margin is a non-IFRS financial measure calculated using purchased crude oil and product sales, less the cost of those volumes purchased from third parties including transportation and refining costs. Please see the calculation below.

Non-IFRS Ratios

Adjusted EBITDA Margin

Adjusted EBITDA Margin is a non‑IFRS ratio calculated by dividing Adjusted EBITDA, a non‑IFRS financial measure, by Adjusted Revenue, also a non‑IFRS financial measure.

	Three months ended March 31	
%	2026	2025
Adjusted EBITDA	28,477	27,634
Adjusted Revenue	45,038	42,076
Adjusted EBITDA Margin	63 %	66 %

Net Debt to Adjusted EBITDA LTM

Net Debt to Adjusted EBITDA LTM represents a non‑IFRS ratio calculated by dividing Net Debt by Adjusted EBITDA for the last twelve‑month period ended at the reporting date, both of which are non‑IFRS financial measures.

	Three months ended March 31	
x times	2026	2025
Net Debt	149,626	54,041
Adjusted EBITDA LTM	112,224	111,815
Net Debt to Adjusted EBITDA LTM	1.33x	0.48x

Realized oil price, net of purchases, and realized gas price per boe - Discontinued operations

Realized oil price, net of purchases, and realized gas price per boe are both non-IFRS ratios. Realized oil price, net of purchases, per boe is calculated using oil sales net of purchases, divided by total sales volumes, net of purchases. Realized gas price is calculated using sales from gas production divided by the conventional natural gas sales volumes.

	Three months ended March 31	
	2026	2025
Oil and gas sales, net of purchases ($M) [1]	198,107	190,914
Crude oil sales volumes, net of purchases - (bbl)	2,551,423	2,927,445
Conventional natural gas sales volumes - (mcf)	498,488	177,756
Realized oil price, net of purchases ($/bbl)	75.56	64.87
Realized conventional natural gas price ($/mcf)	10.69	5.61

[1] Non-IFRS financial measure.

Net sales realized price - Discontinued operations

Net sales realized price is a non-IFRS ratio that is calculated using net sales (including oil and gas sales net of purchases, realized gains and losses from oil risk management contracts and less royalties). Net sales realized price per boe is a non-IFRS ratio which is calculated dividing each component by total sales volumes, net of purchases. A reconciliation of this calculation is provided below:

	Three months ended March 31	
	2026	2025
Oil and gas sales, net of purchases ($M) [1]	198,107	190,914
(Loss) gain on oil price risk management contracts, net ($M) [2]	(3,677)	(4,141)
(-) Royalties ($M)	(2,700)	(2,788)
Net sales ($M)	191,730	183,985
Sales volumes, net of purchases - (boe)	2,638,890	2,958,570
Oil and gas sales, net of purchases ($/boe)	75.07	64.53
Premiums received (paid) on oil price risk management contracts [2][3]	(1.39)	(1.40)
Royalties ($/boe) [3]	(1.02)	(0.94)
Net sales realized price ($/boe)	72.66	62.19

[1] Non-IFRS financial measure.

[2] Includes the net amount of put premiums paid for expired positions and the positive cash settlement received from oil price contracts during the period.

[3] Supplementary financial measure.

Purchased crude net margin - Discontinued operations

Purchase crude net margin is a non-IFRS financial measure that is calculated using the purchased crude oil and products sales, less the cost of those volumes purchased from third parties including its transportation and refining costs. Purchase crude net margin per boe is a non-IFRS ratio that is calculated using the Purchase crude net margin, divided by the total sales volumes, net of purchases. A reconciliation of this calculation is provided below:

	Three months ended March 31	
	2026	2025
Purchased crude oil and products sales ($M)	54,304	57,363
(-) Cost of diluent and oil purchased ($M) (1)	(58,755)	(69,015)
Purchased crude net margin ($M)	(4,451)	(11,652)
Sales volumes, net of purchases - (boe)	2,638,890	2,958,570
Purchased crude net margin ($/boe)	(1.69)	(3.94)

(1) Cost of third-party volumes purchased for use and resale in the Company's oil operations, including associated transportation and refining costs.

Production costs (excluding energy cost), net of realized FX hedge impact, and production cost (excluding energy cost), net of realized FX hedge impact per boe - Discontinued operations

Production costs (excluding energy cost), net of realized FX hedge impact is a non-IFRS financial measure that mainly includes lifting costs, activities developed in the blocks, processes to put the crude oil and gas in sales condition and the realized gain or loss on foreign exchange risk management contracts attributable to production costs. Production cost, net of realized FX hedge impact per boe is a non-IFRS ratio that is calculated using production cost (excluding energy cost), net of realized FX hedge impact divided by production (before royalties). A reconciliation of this calculation is provided below:

	Three months ended March 31	
	2026	2025
Production costs (excluding energy costs) ($M)	36,191	34,061
SAARA inter-segment costs	1,977	913
Production costs (excluding energy costs), net of realized FX hedge impact ($M) (1)	38,168	34,974
Production Colombia (boe)	3,303,000	3,510,900
Production costs (excluding energy costs), net of realized FX hedge impact ($/boe)	11.56	9.96

(1) Non-IFRS financial measure.

Energy costs, net of realized FX hedge impact, and production cost, net of realized FX hedge impact per boe - Discontinued operations

Energy costs, net of realized FX hedge impact is a non-IFRS financial measure that describes the electricity consumption and the costs of localized energy generation and the realized gain or loss on foreign exchange risk management contracts attributable to energy costs. Energy cost, net of realized FX hedge impact per boe is a non-IFRS ratio that is calculated using energy cost, net of realized FX hedge impact divided by production (before royalties). A reconciliation of this calculation is provided below:

	Three months ended March 31	
	2026	2025
Energy costs ($M)	24,415	19,158
Energy costs, net of realized FX hedge impact ($M) (1)	24,415	19,158
Production Colombia (boe)	3,303,000	3,510,900
Energy costs, net of realized FX hedge impact ($/boe)	7.39	5.46

(1) Non-IFRS financial measure.

Transportation costs, net of realized FX hedge impact, and transportation costs, net of realized FX hedge impact per boe - Discontinued operations

Transportation costs, net of realized FX hedge impact is a non-IFRS financial measure, that includes all commercial and logistics costs associated with the sale of produced crude oil and gas such as trucking and pipeline, and the realized gain or loss on foreign exchange risk management contracts attributable to transportation costs. Transportation cost, net of realized FX hedge impact per boe is a non-IFRS ratio that is calculated using transportation cost, net of realized FX hedge impact divided by net production after royalties. A reconciliation of this calculation is provided below:

	Three months ended March 31	
	2026	2025
Transportation costs ($M)	35,811	39,145
(-) Realized gain on FX hedge attributable to transportation costs ($M)	-	-
Transportation costs, net of realized FX hedge impact ($M) (1)	35,811	39,781
Net production Colombia (boe)	3,004,560	3,168,720
Transportation costs, net of realized FX hedge impact ($/boe)	11.92	12.55

(1) Non-IFRS financial measure.

Supplementary Financial Measures

Royalties per boe

Royalties includes royalties and amounts paid to previous owners of certain blocks in Colombia and cash payments for PAP. Royalties per boe is a supplementary financial measure that is calculated using the royalties divided by total sales volumes, net of purchases.

Capital Management Measures

Restricted cash short- and long-term

Restricted cash (short- and long-term) is a capital management measure, that sums the short-term portion and long-term portion of the cash that the Company has in term deposits that have been escrowed to cover future commitments and future abandonment obligations, or insurance collateral for certain contingencies and other matters that are not available for immediate disbursement.

Total cash

Total cash is a capital management measure to describe the total cash and cash equivalents restricted and unrestricted available, is comprised by the cash and cash equivalents and the restricted cash short and long-term.

Total debt and lease liabilities

Total debt and lease liabilities are capital management measures to describe the total financial liabilities of the Company and is comprised of the debt associated to the Company's senior unsecured notes due 2028, loans, and liabilities from leases of various properties, power generation supply, vehicles and other assets.

View original content:https://www.prnewswire.com/news-releases/frontera-announces-first-quarter-2026-results-302773263.html

SOURCE Frontera Energy Corporation

Contact
FOR FURTHER INFORMATION: ir@fronteraenergy.ca, www.fronteraenergy.ca